

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 1954 – HB 1892

April 8, 2014

SUMMARY OF ORIGINAL BILL: Establishes electrical standards for marinas. Requires all commercial marinas to have an electrical inspection prior to April 1, 2015, and annually thereafter. Requires marinas to post signage prohibiting swimming within 100 yards of the dock. Establishes a Class A misdemeanor for violations of the bill's requirements. If a violation results in death, the penalty is increased to a Class E felony. The State Fire Marshall will be charged with enforcing the requirements of the bill.

FISCAL IMPACT OF ORIGINAL BILL:

Increase State Revenue - \$2,033,100

Increase State Expenditures – \$2,041,200

Other Fiscal Impact – If, upon inspection, locally owned marinas are found to have electrical components that do not meet the standards required by the bill, there will be an increase in local government expenditures to correct these deficiencies. The amount of such increase cannot be quantified due to multiple unknown variables such as the number of marinas owned by local entities, the state of their current electrical systems and the extent of repairs identified as necessary by the required inspection.

SUMMARY OF AMENDMENTS (014864, 016158): Amendment 014864 deletes and rewrites Section 2 of the bill such that two substantive changes are made: authorizing the State Fire Marshall to conduct the required marina electrical inspections; and narrowing the scope of the inspection to only require that the standards for maintenance of the wiring and electrical equipment meet the standards required at the time of original installation.

Amendment 016158 changes the penalty for violations of the provisions of the bill from a Class E felony punishable by fine only to a Class A misdemeanor that requires imprisonment for a duration not to exceed 11 months and 29 days.

SB 1954 – HB 1892

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENTS:

Increase State Expenditures – Not Significant

Increase Local Expenditures - \$1,900*

Other Fiscal Impact – If, upon inspection, locally owned marinas are found to have electrical components that do not meet the standards required by the bill as amended, there will be an increase in local government expenditures to correct these deficiencies. The amount of such increase cannot be quantified due to multiple unknown factors such as the number of marinas owned by local entities, the state of their current electrical systems and the extent of repairs identified as necessary by the required inspection.

Assumptions for the bill as amended:

- Based upon information provided by the Department of Commerce and Insurance, the required inspections will be conducted by a state employee and can be handled utilizing existing resources.
- The proposed legislation will result in one Class A misdemeanor admission every three years.
- According to the U.S. Census Bureau, population growth in Tennessee has been 1.12 percent per year for the past 10 years, yielding a projected compound population growth of 11.78 percent over the next 10 years. Population growth will not affect the fiscal impact of this legislation.
- It is assumed that the average offender whose violation results in serious bodily injury would serve 60 days and that the average offender whose violation results in death would serve 120 days. Therefore, the proposed amendment would result in 180 days served every six years.
- The average operating cost per offender per day for calendar year 2014 is \$62.52.
- The annualized increase in local expenditures attributable to the required incarceration is estimated to be \$1,900 [(180 days x \$62.52) / 6 = \$1,876].
- Due to the low number of convictions the bill as amended will result in, it is assumed that the courts, district attorneys, and public defenders can accommodate any impact to their caseloads within existing resources.

**Article II, Section 24 of the Tennessee Constitution provides that: no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise". The signature is fluid and cursive, with the first name "Lucian" written in a larger, more prominent script than the last name "Geise".

Lucian D. Geise, Executive Director

/cce